

Message Text

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ACTION IO-14

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 ISO-00 AID-20

CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01

TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-02 LAB-06 SIL-01

OMB-01 NSC-07 SS-20 STR-08 CEA-02 DRC-01 SAJ-01 L-03

/195 W

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R 051300Z JUL 74

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 2347

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

USMISSION GENEVA

AMEMBASSY HELSINKI

AMCONSUL JOHANNESBURG

AMEMBASSY LONDON

AMEMBASSY LUXEMBURG

AMEMBASSY MEXICO CITY

USMISSION NATO

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS UNN

AMEMBASSY ROME

AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 1 OF 2 STOCKHOLM 2899

E.O. 11652: GDS

TAGS: PFOR, ELAB, SW

SUBJECT: INTERNATIONAL METALWORKERS FEDERATION CONGRESS OPENS WITH
MULTINATIONALS AS MAJOR VILLAIN

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REF: STOCKHOLM 2774

1. BEGIN SUMMARY: THE 23RD CONGRESS OF THE INTERNATIONAL METALWORKERS FEDERATION (IMF) OPENED ON JULY 2 IN STOCKHOLM. ABOUT THREE HUNDRED AND SEVENTY DELEGATES FROM SIXTY COUNTRIES HEARD DISTINGUISHED TRADE UNION AND POLITICAL LEADERS, INCLUDING SWEDISH PRIME MINISTER OLOF PALME STRESS NEED FOR A GRAND ALLIANCE BETWEEN TRADE UNIONS AND POLITICAL PARTIES, MOST NOTABLY THOSE OF SOCIAL DEMOCRATIC PERSUASION, IN ORDER TO DEVELOP EFFECTIVE COUNTERVAILING POWER TO THE GROWING MIGHT OF THE MULTINATIONAL CORPORATIONS. SPEAKERS ALSO STRESSED THE NEED FOR INTENSIFIED EFFORTS TO DEAL WITH VIOLATION OF TRADE UNION AND HUMAN RIGHTS IN MANY COUNTRIES, TO IMPROVE THE QUALITY OF THE WORK ENVIRONMENT, TO CHANNEL ECONOMIC GROWTH FOR FULL EMPLOYMENT, TO COUNTER THE WILD ACCELERATION OF INFLATION, AND TO NARROW THE GAP BETWEEN THE RICH AND POOR NATIONS. AT THE SAME TIME, WHILE NO SPEAKER HAS YET PUBLICLY REFERRED TO IT, THE ELECTION OF A NEW GENERAL SECRETARY REMAINS THE MAJOR DIVISIVE ISSUE AT THE CONGRESS. END SUMMARY.

2. SWEDISH PRIME MINISTER PALME EMPHASIZED THE NEED FOR THE TRADE UNION WING OF LABOR MOVEMENTS IN DEMOCRATIC SOCIETIES TO COOPERATE CLOSELY WITH THEIR POLITICAL WINGS IN ORDER TO DEAL WITH THE GROWING POWER OF THE MULTINATIONAL CORPORATIONS. HE ALSO CONDEMNED THE VIOLATION OF TRADE UNION AND HUMAN RIGHTS IN MANY COUNTRIES AND EMPHASIZED THAT THE TRADE UNION FIGHT WAS BASICALLY "POLITICAL."

3. SIMILAR THEMES WERE PROPOUNDED BY OTHER SPEAKERS. EUGEN LODERER, PRESIDENT OF GERMANY'S HUGE METAL UNION I G METALL AND ALSO PRESIDENT OF THE IMF, COMMENTED ON THE BROADER INTERNATIONAL PICTURE. HE NOTED WITH SATISFACTION THE "GREATER UNDERSTANDING BETWEEN THE SUPERPOWERS, ENHANCED POSSIBILITY OF PEACEFUL SOLUTIONS TO WORLD CONFLICTS, INCLUDING THE DEPARTURE OF AMERICAN TROOPS FROM VIETNAM, THE DISENGAGEMENT IN THE MIDDLE EAST, AND THE DOWNFALL OF THE "OLDEST POLITICAL DICTATORSHIP" IN PORTUGAL. HE ALSO REFERRED TO NEGATIVE DEVELOPMENTS, ADDING THAT "BETWEEN THE TWO EXTREMES OF PORTUGAL AND THE MILITARY DICTATORSHIP IN CHILE, THERE WAS A

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BROAD SPECTRUM OF POLITICAL CHANGE," SOME GOOD AND SOME BAD. AFTER REFERRING TO THE FRG'S "SUCCESSFUL OSTPOLITIK," HE SAID THAT THE EAST-WEST CONFLICT HAD NOW BEEN REPLACED BY THE NORTH-SOUTH PROBLEM, WHICH HE CHARACTERIZED AS THE DISCREPANCY IN WEALTH BETWEEN THE RICH AND POOR COUNTRIES, AND HE VOWED THAT THE INTERNATIONAL METALWORKERS' FEDERATION WOULD DO ALL IN ITS POWER TO BRIDGE THE GAP. LODERER WELCOMED THE MOVEMENT

TOWARD TRADE UNION UNITY IN VARIOUS COUNTRIES, CITING
IN PARTICULAR THE MOVEMENT TOWARD TRADE UNION UNITY IN
ITALY WHICH HE SAID CONSTITUTES "AN IMPORTANT FIRST STEP"
IN THE CREATION OF UNIFORM WORKERS REPRESENTATION.

4. OTTO KERSTEN, ICFTU GENERAL SECRETARY, ENDORSED
PALME'S CALL (WHICH IS ALSO SUPPORTED BY THE IMF) FOR A
"MULTINATIONAL TASK FORCE LINKING THE INDUSTRIAL AND
POLITICAL WINGS OF OUR MOVEMENT." HE SAID THIS SHOULD
INCLUDE LEADING REPRESENTATIVES OF LABOR AND SOCIALIST
PARTIES, AS WELL AS THE SOCIALIST INTERNATIONAL, "IN
ORDER TO WORK OUT PLANS FOR POLITICAL ACTION" IN DEALING
WITH MULTINATIONAL CORPORATIONS.

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C O N F I D E N T I A L SECTION 2 OF 2 STOCKHOLM 2899

5. MOST SPEAKERS HAMMERED HOME THE VIEW OF THE MULTI-NATIONAL CORPORATION AS THE MAJOR VILLAIN FOR WORLD TRADE UNIONS. KARL CASSERINI, IMF'S DIRECTOR OF RESEARCH, PAINTED THEM IN THE BLACKEST, MOST UNFLATTERING TERMS. HE SAID "MULTINATIONALS WERE GROWING FASTER THAN ONE CAN IMAGINE." CITING INTER ALIA ITT, IBM, SONY, AND AEG TELEFUNKEN, HE CALLED THEM "INTERNATIONAL WHOLESALE
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MIDDLEMEN AND FEUDAL REGENTS - NONE OF WHOM HAS ANY CONCERN FOR WORKING PEOPLE AND THE PUBLIC INTEREST - WHO ENGINEER WITH UNCONTROLLED POWER, ALL THESE OPERATIONS WHICH ARE AT THE SOURCE OF THE WORLD'S FRIGHTENING IMBALANCE OF WEALTH; DIVIDING MANKIND INTO THE "HAVES" AND 'HAVE NOTS'." DAN BENEDICT, IMF ASSISTANT SECRETARY, PAINTED A SIMILAR BLEAK PICTURE OF AMERICAN MULTINATIONALS. HE SAID THEY INVESTED 2,600 MILLION DOLLARS IN LATIN AMERICA BETWEEN 1968 AND 1972 AND TOOK OUT PROFITS OF 5,600 MILLION DOLLARS, WHILE THE STANDARD OF LIVING CONTINUED TO SINK IN THAT PART OF THE WORLD.

6. ON OTHER CONGRESS BUSINESS: RESOLUTIONS COMMITTEE HAS SUCCESSFULLY BLUNTED A BRITISH EFFORT TO SECURE IMF SUPPORT FOR CLOSER COOPERATION BETWEEN ICFTU AND THE WFTU (REFTEL) ALTHOUGH THIS AND OTHER IMPORTANT POLITICALLY-CHARGED ISSUES COULD BE RAISED AGAIN ON THE FLOOR. SIMILARLY, ALTHOUGH THE ISSUE OF ITALIAN CGIL AFFILIATION IS NOT NOW BEFORE CONGRESS, IT COULD ALSO BE RAISED ON THE FLOOR. AS ONE DELEGATE DESCRIBED IT TO LABOR ATTACHE, ANYTHING COULD HAPPEN AT THIS CONGRESS BECAUSE "THE ELECTION FIGHT HAS SHARPENED DIFFERENCES AND DISTORTED VIEW-POINTS."

7. CONGRESS, IN ADDITION, WILL BE ASKED TO AGREE TO IMF PARTICIPATION IN A JOINT COMMITTEE WITH THE ICFTU ON MULTINATIONALS, SIGNIFICANT SINCE IT WILL BE FIRST TIME SINCE AFL-CIO DISAFFILIATION FROM THE ICFTU FIVE YEARS AGO THAT AFL-CIO TRADE UNION LEADERS WOULD BE PARTICIPATING, ALBEIT THROUGH IMF, IN A COMMITTEE WITH THE ICFTU.

8. THE ELECTION: IT STILL APPEARS THAT THE REBHAN-BENEDICT CONTEST WILL GO TO A POLL. LEONARD WOODCOCK, UAW PRESIDENT HAS TOLD US IN CONFIDENCE, HOWEVER, THAT

AN EFFORT IS BEING MADE BY ONE OF THE NON-UAW AFL-CIO LEADERS PRESENT TO REACH IUE PRESIDENT PAUL JENNINGS IN WASHINGTON IN ORDER TO HAVE HIM PERSUADE BENEDICT TO TERMINATE HIS OWN CANDIDACY. (THE IUE IS THE SOLE AMERICAN SUPPORTER OF BENEDICT.) TO DATE, HOWEVER, BENEDICT INSISTS ON REMAINING IN RACE, ALTHOUGH HE HAS CONCEDED IN A CONVERSATION WITH THE LABOR ATTACHE THAT

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THE BENEDICTINES DO NOT HAVE THE VOTES TO WIN. HE IS PREPARED TO LEAVE THE RACE IF HE CAN BE ASSURED OF A THIRD CANDIDATE ALTHOUGH HE FEARS THAT A THIRD CANDIDATE MAY BE EXTREMELY DIFFICULT TO FIND.

9. THERE IS LITTLE DOUBT THAT REBHAN HAS SUFFICIENT VOTES NEEDED TO WIN. WHAT CONCERNS UAW PRESIDENT WOODCOCK AND THE REBHANITES IS THE QUESTION OF HOW THE VICTORY IS OBTAINED. THEY OBVIOUSLY DO NOT WISH, AS ONE OF THEM DESCRIBED IT, TO SEE "A MESSY CONGRESS." THUS, THERE IS EVERY LIKELIHOOD THAT OTHER INITIATIVES SIMILAR TO THE JENNINGS APPROACH WILL CONTINUE. IN THE MEANWHILE, A NUMBER OF REBHANITES WHO MAY HAVE WANTED TO TAKE STRONGER POSITIONS ON CERTAIN CONTROVERSIAL ISSUES ARE TREADING MUCH MORE SOFTLY BECAUSE OF THE ELECTION DISSENSION.

10. THE ENTIRE US DELEGATION AND THEIR FAMILIES WERE GUESTS OF THE AMBASSADOR AT A RECEPTION JULY 2. THE US DELEGATION WAS ALSO INVITED TO JOIN WITH THE AMERICAN COMMUNITY IN THE TRADITIONAL 4TH OF JULY CELEBRATION.

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